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RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHZO/AFRICAN UNION COLLECTIVE

UNCLAS PRETORIA 001937

SIPDIS

PASS TO USITC FOR L. SCHLITT

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [OTRA](#) [ASEC](#) [SF](#)

SUBJECT: SOUTH AFRICA RESPONSE TO USITC STUDY ON SUB-SAHARAN AFRICA:
EFFECTS OF INFRASTRUCTURE CONDITIONS ON EXPORT COMPETITIVENESS PART
ONE

REF: A. STATE 62391, B. PRETORIA 0175, C. PRETORIA 1186,
[D](#). CAPE TOWN 52

[1](#)1. (U) This cable responds to the items requested in paragraph five of Reftel A. Post will provide responses to paragraph six and seven through additional reporting prior to the October 1 deadline. Supplemental documentation will also be sent via e-mail. Transportation/ICT Officer Daleya Uddin (Uddinsd@state.gov or +27-12-431-4344) and Economic Specialist Christo Esterhuizen (EsterhuizenJC@state.gov or +27-12-431-4417) are the main points of contact at post.

[1](#)2. (U) Information on the effects of infrastructure conditions on export competitiveness is relatively easy to obtain in South Africa through public sources, e.g., World Bank, government, and corporate reports. Most of the information in public documents is from 2006 or earlier.

[1](#)3. (U) Electricity and transport infrastructure in South Africa is mainly developed, maintained, and controlled by government departments or state-controlled companies. Reftels B and C provide additional background information on Eskom (the state-controlled electricity producer) and Reftel D provides background information on Transnet (the state-controlled freight and transport logistics group). Both Eskom and Transnet are currently investing tens of billions of dollars to improve electricity and transport capacity and to address infrastructure bottlenecks that are hampering growth.

[1](#)4. (U) The South African Institution of Civil Engineering (SAICE) and The Council for Scientific and Industrial Research (CSIR) are good sources of information on this topic. Dr Kevin Wall at CSIR has provided information on the status of transport infrastructure in the past. He is the Manager for the Urban Management and Infrastructure at CSIR's Built Environment unit in Pretoria. He can be contacted at +27-82-459-3618 or kwall@csir.co.za.

[1](#)5. (U) CSIR and Imperial Logistics released a joint State of Logistics Survey in July 2008. The survey is available at <http://www.csir.co.za/sol/>. The survey spotlights domestic infrastructure and logistics and its relation to international trade. The survey also reports positive logistics growth for the southern African region and highlights the challenges the region faces as it hopes to increase its global competitiveness. South Africa ranked 24 out of 150 countries on the World Bank's Logistics Performance Index. However, based on logistics expenditure, the country is rated 124. CSIR identifies a number of logistics hurdles in South Africa including inadequate infrastructure and processes at ports and borders, rising fuel costs, increased road freight, and inefficient rail transportation.

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